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## THE EMPLOYMENT SITUATION: SEPTEMBER 2003

The unemployment rate remained at 6.1 percent in September, and total nonfarm payroll employment was little changed, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The number of jobs in manufacturing declined at a slower pace than in recent months, while employment in temporary help services continued to trend upward.

Chart 1. Unemployment rate, seasonally adjusted,  
Percent October 2000 - September 2003

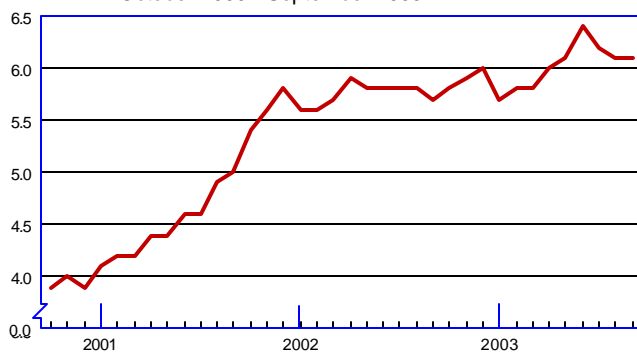
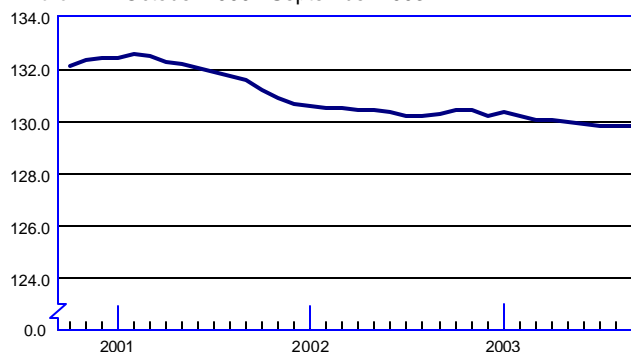


Chart 2. Nonfarm payroll employment, seasonally adjusted,  
Millions October 2000 - September 2003



### Unemployment (Household Survey Data)

The number of unemployed persons, 9.0 million, was about unchanged in September, and the unemployment rate was 6.1 percent, the same as in August.

Unemployment rates for the major worker groups—adult men (5.7 percent), adult women (5.3 percent), teenagers (17.5 percent), whites (5.3 percent), blacks (11.2 percent), and Hispanics or Latinos (7.5 percent)—were little changed in September. The unemployment rate for Asians was 6.2 percent, not seasonally adjusted. (See tables A-1, A-2, and A-3.)

In September, there were 2.1 million unemployed persons who had been looking for work for 27 weeks or longer, representing 23.2 percent of the total unemployed. Since November 2001, the proportion of long-term unemployed has increased by about 9 percentage points. (See table A-9.)

**Table A. Major indicators of labor market activity, seasonally adjusted**

(Numbers in thousands)

Category	Quarterly averages		Monthly data			Aug.- Sept. change
	2003		2003			
	II	III	July	Aug.	Sept.	
<b>HOUSEHOLD DATA</b>	Labor force status					
Civilian labor force.....	146,685	146,539	146,540	146,530	146,545	15
Employment.....	137,638	137,559	137,478	137,625	137,573	-52
Unemployment.....	9,047	8,980	9,062	8,905	8,973	68
Not in labor force.....	74,090	74,974	74,712	74,977	75,234	257
	Unemployment rates					
All workers.....	6.2	6.1	6.2	6.1	6.1	0.0
Adult men.....	5.9	5.8	5.9	5.8	5.7	-.1
Adult women.....	5.1	5.2	5.2	5.2	5.3	.1
Teenagers.....	18.6	17.5	18.4	16.6	17.5	.9
White .....	5.4	5.4	5.5	5.4	5.3	-.1
Black or African American .....	11.2	11.1	11.1	10.9	11.2	.3
Hispanic or Latino ethnicity.....	8.0	7.8	8.2	7.8	7.5	-.3
<b>ESTABLISHMENT DATA</b>	Employment					
Nonfarm employment.....	129,984	p129,838	129,846	p129,805	p129,862	p57
Goods-producing <sup>1</sup> .....	22,093	p21,976	22,001	p21,972	p21,955	p-17
Construction.....	6,782	p6,821	6,804	p6,823	p6,837	p14
Manufacturing.....	14,744	p14,591	14,631	p14,585	p14,556	p-29
Service-providing <sup>1</sup> .....	107,891	p107,862	107,845	p107,833	p107,907	p74
Retail trade.....	14,981	p14,962	14,958	p14,959	p14,969	p10
Professional and business services.....	15,999	p16,082	16,063	p16,058	p16,124	p66
Education and health services.....	16,498	p16,507	16,487	p16,512	p16,521	p9
Leisure and hospitality.....	12,036	p12,048	12,051	p12,048	p12,045	p-3
Government.....	21,495	p21,452	21,458	p21,456	p21,441	p-15
	Hours of work <sup>2</sup>					
Total private.....	33.7	p33.7	33.6	p33.7	p33.7	p0.0
Manufacturing.....	40.2	p40.2	40.1	p40.2	p40.4	p.2
Overtime.....	4.0	p4.1	4.1	p4.0	p4.2	p.2
	Indexes of aggregate weekly hours (2002=100) <sup>2</sup>					
Total private.....	98.7	p98.5	98.3	p98.6	p98.6	p0.0
	Earnings <sup>2</sup>					
Average hourly earnings, total private.....	\$15.34	p\$15.45	\$15.43	p\$15.46	p\$15.45	p-\$0.01
Average weekly earnings, total private.....	517.07	p520.04	518.45	p521.00	p520.67	p-.33

<sup>1</sup> Includes other industries, not shown separately.<sup>2</sup> Data relate to private production or nonsupervisory workers.

p=preliminary.

### Total Employment and the Labor Force (Household Survey Data)

Both total employment (137.6 million) and the employment-population ratio (62.0 percent) were about unchanged in September. The employment-population ratio was down by 1.0 percentage point over the year. Both the civilian labor force, 146.5 million, and the labor force participation rate, 66.1 percent, also were little changed in September. (See table A-1.)

The number of persons who worked part time for economic reasons rose in September to 5.0 million, seasonally adjusted. These persons indicated that they would like to work full time but worked part time because their hours had been cut back or because they were unable to find a full-time job. The total number of persons at work part time, including both the economic and noneconomic categories, was essentially unchanged at 24.0 million. (See table A-5.)

### Persons Not in the Labor Force (Household Survey Data)

In September, 1.5 million persons were marginally attached to the labor force, about the same as a year earlier. (Data are not seasonally adjusted.) These individuals wanted and were available to work and had looked for a job sometime in the prior 12 months. They were not counted as unemployed, however, because they did not actively search for work in the 4 weeks preceding the survey. Of the 1.5 million, 388,000 were discouraged workers—persons who were not currently looking for work specifically because they believed no jobs were available for them. The number of discouraged workers in September was about the same as a year earlier. The other 1.2 million marginally attached had not searched for work because they were in school or had family responsibilities. (See table A-13.)

### Industry Payroll Employment (Establishment Survey Data)

Total nonfarm payroll employment was little changed (+57,000) in September at 129.9 million. Over the month, manufacturing job losses continued, although at a slower pace. Professional and business services added jobs, as temporary help employment increased for the fifth consecutive month. (See table B-1.)

Manufacturing employment decreased by 29,000 in September. Although small declines occurred throughout most of the sector, September's loss was below the average for the prior 12 months (-54,000). Most of the easing in September occurred among durable goods industries.

Professional and business services added 66,000 jobs in September; half of the gain occurred in temporary help services. Since April, temporary help has added 147,000 jobs. Architectural and engineering services employment increased by 9,000 in September.

Health care and social assistance had a small employment increase over the month (15,000). Job gains in this industry averaged 23,000 a month during the first half of this year, compared with a monthly average of 13,000 since June.

Within transportation and warehousing, air transportation added 3,000 jobs in September. Employment in retail trade was little changed; however, employment increased in two of its component industries—motor vehicle and parts dealers (8,000) and building material and garden supply stores (7,000).

Construction employment continued to trend up. Since February, the industry has added 137,000 jobs, with most of the gains among special trade contractors.

Employment in financial activities remains on an upward trend, though at a reduced pace. For the past 4 months, job gains have averaged about 5,000 per month, compared with 16,000 per month from August 2002 to May 2003.

Employment in government was little changed over the month. Seasonal hiring was weak in local education, and, after seasonal adjustment, employment decreased by 44,000 in September. However, the decline was partially offset by a gain of 17,000 jobs in local government, excluding education.

#### Weekly Hours (Establishment Survey Data)

The average workweek for production or nonsupervisory workers on private nonfarm payrolls was unchanged over the month at 33.7 hours, seasonally adjusted. The manufacturing workweek increased by 0.2 hour in September to 40.4 hours, seasonally adjusted. Manufacturing overtime also rose by 0.2 hour to 4.2 hours. (See table B-2.)

The index of aggregate weekly hours of production or nonsupervisory workers on private nonfarm payrolls held at 98.6 in September (2002=100). The manufacturing index increased by 0.2 percent over the month to 94.2. (See table B-5.)

#### Hourly and Weekly Earnings (Establishment Survey Data)

Average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls were down by 1 cent over the month to \$15.45, seasonally adjusted. Average weekly earnings were down by 0.1 percent in September to \$520.67. Over the year, average hourly earnings grew by 2.7 percent and average weekly earnings increased by 2.1 percent. (See table B-3.)

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The Employment Situation for October 2003 is scheduled to be released on Friday, November 7, at 8:30 A.M. (EST).

#### **Benchmark Revisions to the Payroll Survey**

In accordance with annual practice, the Bureau of Labor Statistics has completed preliminary tabulations of the universe counts for the first quarter of this year. The tabulations indicate that the estimate of total nonfarm payroll employment will require a downward revision of approximately 145,000, or one-tenth of one percent, for the March 2003 reference month. The historical average for benchmark revisions over the last 10 years has been plus or minus three-tenths of one percent. BLS will publish data revised to the March 2003 benchmark on February 6, 2004, with the release of data for January 2004. Previously, the revised data were published in June of each year; earlier receipt and tabulation of the benchmark source data now make it feasible to accelerate the publication date to February, beginning in 2004.

#### **Change in Seasonal Adjustment Procedures for the Household Survey**

Effective with the release of December 2003 estimates in January 2004, BLS will convert to the use of concurrent seasonal adjustment to produce seasonally adjusted Current Population Survey (CPS) labor force estimates. Concurrent seasonal adjustment uses all available monthly estimates, including those for the current month, in developing seasonal factors. Currently, seasonal factors for the CPS data are projected twice a year. With the introduction of concurrent seasonal adjustment, BLS will no longer publish seasonal factors for CPS data. BLS introduced the use of concurrent seasonal adjustment for the nonfarm payroll data in June 2003 with the release of data for May 2003.